

EDUCATION

Thence

FINANCE

*Veto*

SENATE BILL 800

42ND LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1995

INTRODUCED BY

*Timothy J. Gump*  
*Mary Jane Garcia*  
*Will House*

AN ACT

RELATING TO EDUCATION; ENACTING THE TEACHER LOAN FOR SERVICE ACT; PROVIDING FINANCIAL ASSISTANCE TO ETHNIC MINORITIES AND PHYSICALLY DISABLED PERSONS ENTERING CERTAIN TEACHING PROGRAMS IN NEW MEXICO.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. SHORT TITLE.--This act may be cited as the "Teacher Loan for Service Act".

Section 2. PURPOSE.--The purpose of the Teacher Loan for Service Act is to alleviate the shortage of ethnic minorities and physically disabled people in certain areas of the state by encouraging ethnic minorities and physically disabled people to enter the teaching profession.

Section 3. DEFINITIONS.--As used in the Teacher Loan for Service Act:

underscoring material = dc  
[bracketed material] = delete

underscored material = ne  
[bracketed material] = delete

1           A. "academic year" means any continuous period of  
2 two academic semesters, three academic quarters or other  
3 comparable units of time;

4           B. "award recipient" means a student awarded a loan  
5 under the Teacher Loan for Service Act;

6           C. "commission" means the commission on higher  
7 education;

8           D. "eligible institution" means a New Mexico  
9 public post-secondary educational institution or financially  
10 independent nonprofit nonsectarian four-year college or  
11 university whose New Mexico campus is accredited by the North  
12 American accreditation association;

13           E. "loan" means a disbursement of funds to defray  
14 the costs incidental to teacher licensure under a contract  
15 between the commission and a student, requiring either  
16 repayment with interest or repayment with services;

17           F. "physically disabled person" means a person  
18 with a record of a physical or mental impairment that  
19 substantially limits one or more of the major life activities  
20 of that individual;

21           G. "shortage area" means a local school district in  
22 New Mexico that, according to state department of public  
23 education data, has teacher or student ethnicity ratios that  
24 demonstrate under-representation of ethnic minority teachers  
25 or in the case of physically disabled teachers all school

1 districts in New Mexico; and

2 H. "student" means a resident of New Mexico who is  
3 an ethnic minority or who is physically disabled, who has been  
4 accepted for enrollment in a program of studies leading to  
5 certification or licensure as a teacher.

6 Section 4. CONDITIONS FOR ELIGIBILITY.--A loan may be  
7 awarded to any individual who:

8 A. is a member of an under-represented ethnic  
9 minority group as determined by regulations adopted by the  
10 commission or is a physically disabled person;

11 B. is enrolled or will be enrolled, at the time the  
12 loan is awarded, in at least six semester hours in an eligible  
13 institution with a program of studies leading to certification  
14 or licensure as a teacher;

15 C. agrees to practice as a teacher within a  
16 shortage area for the term specified in the loan agreement;

17 D. maintains a minimum cumulative grade point  
18 average of 2.5 on a scale of 4.0, or its equivalent, in the  
19 immediately preceding semester;

20 E. has complied with all the rules, regulations and  
21 policies adopted by the commission pursuant to the Teacher  
22 Loan for Service Act;

23 F. is a resident of New Mexico for the purpose of  
24 tuition payment;

25 G. is a citizen of the United States or has a

underscoring material = ne  
[bracketed material] = delete

1 permanent resident visa;

2 H. is not a recipient of another state or federal  
3 loan-for-service program; and

4 I. is not in default or does not owe a refund on a  
5 grant received for attendance at any institution under a state  
6 or federal educational loan or grant program.

7 Section 5. ADMINISTRATION OF ACT--LOANS AUTHORIZED.--

8 A. The commission shall administer the Teacher Loan  
9 for Service Act and shall adopt all rules, regulations and  
10 policies necessary to administer that act.

11 B. The commission is authorized to award loans to  
12 qualified applicants. Qualification shall be determined by  
13 the commission pursuant to statutorily established eligibility  
14 requirements.

15 Section 6. CANCELLATION.--The contract entered into  
16 between the student and the sponsoring eligible institution  
17 may be canceled upon approval of the commission for any  
18 reasonable cause deemed sufficient by the commission in  
19 accordance with its rules and regulations.

20 Section 7. LOANS--CONTRACT TERMS--REPAYMENT.--

21 A. Each applicant who is approved for a loan by the  
22 commission may be granted a loan not to exceed four thousand  
23 dollars (\$4,000) per year for five consecutive years or a  
24 maximum amount and number of years as determined by the  
25 commission based upon available funding. The loan shall be

1 used to defray expenses incurred in obtaining a teaching  
2 license or certificate, provided that the applicant files with  
3 the commission a declaration of intent to practice as a  
4 licensed teacher in shortage areas.

5 B. A student who is enrolled in an eligible  
6 institution with a program of studies leading to certification  
7 or licensure as a teacher for less than the regular academic  
8 year or for less than twelve semester hours may receive a pro  
9 rata share of the loan at the discretion of the commission.

10 C. The loans shall not exceed the necessary  
11 expenses incurred while obtaining a teaching license or  
12 certificate and shall bear interest at the rate of:

13 (1) eighteen percent per year if the student  
14 does not obtain a teaching license or certificate or does not  
15 comply with the forgiveness provisions pursuant to Subsection  
16 D of this section; and

17 (2) seven percent per year in all other  
18 cases.

19 D. The loan shall be evidenced by a contract  
20 between a student and the commission acting on behalf of the  
21 state. The contract shall provide:

22 (1) for loan terms of one year, a student  
23 shall be required to serve as a teacher in a designated  
24 shortage area for one year. Upon completion of teaching  
25 service, one hundred percent of the principal plus accrued

underscored material = ne  
[bracketed material] = delete

1 interest shall be forgiven;

2 (2) for loan terms of two years, a student  
3 shall be required to serve as a teacher in a designated  
4 shortage area for two years. Fifty percent of the principal  
5 plus accrued interest shall be forgiven following completion  
6 of the first year of teaching service and the remainder of the  
7 principal plus accrued interest shall be forgiven following  
8 the second year of teaching service; and

9 (3) for loan terms of three years or more, a  
10 student shall be required to serve as a teacher in a  
11 designated shortage area for three years. Forty percent of  
12 the principal plus accrued interest shall be forgiven upon  
13 completion of the first year of teaching service; thirty  
14 percent of the principal plus accrued interest shall be  
15 forgiven upon completion of the second year of teaching  
16 service; and the remainder of the principal plus accrued  
17 interest shall be forgiven upon completion of the third year  
18 of teaching service.

19 E. The loan repayment periods provided in  
20 Subsection D of this section may be modified for good cause  
21 subject to statutory limitations.

22 F. An award recipient shall not be eligible for  
23 forgiveness or postponement of any loan amount that becomes  
24 due as a result of a delay or interruption in the award  
25 recipient's teaching service in a designated shortage area

1 after completion of the requirements for teacher licensure or  
2 certification except as provided by the commission.

3 G. An award recipient who fails to complete the  
4 requirements for teacher licensure or certification shall owe  
5 the full amount of the loan plus interest, which shall come  
6 due immediately except as authorized by the commission. The  
7 commission, in consultation with the award recipient, shall  
8 establish terms of repayment, alternative service or  
9 cancellation.

10 H. An award recipient who, after completion of the  
11 requirements for teacher licensing or certification, chooses  
12 not to serve in a shortage area, shall owe the total loan  
13 amount plus accrued interest, which shall be paid over a  
14 period of time determined by the commission.

15 I. To receive credit for a year of service, an  
16 award recipient shall teach full time, on site at a public  
17 preschool, elementary or secondary school in a shortage area  
18 for an academic year.

19 J. Lea, Chaves, Otero, Eddy and Roosevelt counties  
20 shall be given preference as hiring sites for ethnic minority  
21 teachers.

State of New Mexico  
Senate

FORTY-SECOND LEGISLATURE  
FIRST SESSION

March 11, 1995

SENATE FLOOR AMENDMENT number 1 to SENATE BILL 800

Amendment sponsored by Senator Timothy Z. Jennings

1. On page 5, line 13, strike "eighteen" and insert in lieu thereof "seven".

2. On page 5, line 14, strike "or does not" and strike lines 15 and 16 up to the semicolon.

3. On page 5, strike lines 17 and 18 and insert in lieu thereof:

"eighteen percent per year if the student does obtain a teaching license or certificate and does not comply with the forgiveness provisions pursuant to Subsection D of this section.".

  
Timothy Z. Jennings

Adopted 

(Chief Clerk)

Not Adopted \_\_\_\_\_

(Chief Clerk)

Date 3/11/95